

Statement of Representative Henry A. Waxman
October 28, 1999

Today we will consider two important issues relating to John Huang: immunity and the release of the notes that the FBI took during interviews with John Huang.

Before addressing those points, I want to make an observation about how our Committee has handled the extraordinary congressional power of granting immunity.

Before today, the Chairman has requested immunity for ten witnesses. Despite the fact that the Chairman has refused to investigate nearly every question the minority has suggested, and despite the fact that immunity is the only area that the minority could block the majority, Democrats on this Committee have agreed to support immunity for all ten witnesses.

That consistent gesture of bipartisanship in a clearly partisan investigation is unusual. And just as unusual is that after granting immunity, the Chairman has chosen to call only four of the ten witnesses to a hearing. We didn't call these witnesses even though Republican leaders had claimed that some of the six witnesses had "direct knowledge about how the Chinese government made illegal campaign contributions in an apparent attempt to influence our foreign policy."

I mention this today because as we consider an eleventh request for immunity, we should all be aware that the Committee hasn't dealt with past immunity in a careful and targeted manner.

For the last three years, the Chairman and others have repeatedly alleged that John Huang was at the center of a Chinese plot to influence the 1996 elections. There have even been allegations that he was a Chinese spy who abused his security clearance to send classified information to China, and that he would have key incriminating information about the President and Vice President.

Yesterday sources close to the Chairman leaked information from the FBI's notes of its interviews with Mr. Huang to the press. And instead of conceding that the notes don't support any of the Chairman's previous allegations and informing reporters that the FBI information actually contains significant exculpatory materials, the emphasis was placed on an issue this Committee has never raised before: Jesse Jackson Jr.'s 1995 congressional campaign.

The FBI notes do confirm what we already know in other areas: that Mr. Huang participated in an illegal conduit scheme with James Riady, who was a legal U.S. resident and whose family owned the Indonesian-based financial conglomerate, the Lippo Group. Mr. Huang pled guilty to making illegal conduit contributions on August 12, 1999. This isn't news, but it is serious.

According to the 302 notes, it appears that James Riady told President Clinton in 1992 that he intended to raise \$1 million. Mr. Huang, who was then a Lippo employee, was enlisted by Mr. Riady to help raise money for the DNC. Mr. Huang worked to recruit Lippo employees

and associates to make campaign contributions, assuming that they would be reimbursed.

Last Congress, evidence emerged about several illegal conduit contribution schemes. Some involved important Republican donors, such as Simon Fireman, the national vice chairman of Senator Dole's finance committee, and Majority Whip Tom DeLay. Others involved Democratic donors, such as Charlie Trie. I was highly critical of these attempts to circumvent our campaign finance laws.

When I support immunity this morning, I'm doing so for what I regard as almost the wrong reasons. Based on the information we have, Mr. Huang is not going to be an explosive witness who reveals a Chinese plot to influence the outcome of a presidential election.

But if we don't grant immunity to Mr. Huang, some will have suspicions that Congress is hiding something and trying to keep incriminating information from the American people.

So I will support immunity today, with the condition that if Mr. Huang is called before the Committee, that he appear in open session so that the American people can decide this matter for themselves.

And when Mr. Huang appears, I intend to ask him questions about the conduit scheme he was involved in and be critical of those illegal activities. And if it turns out that the sensational allegations about Mr. Huang and a Chinese conspiracy to influence our elections are false, I trust the Chairman and others will accept that information.